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SENATE BILL 2391 By
Dixon

HOUSE BILL 2673
By Jones U (Shel)

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to exempting state employees from the payment of state sales tax.

WHEREAS, this General Assembly recognizes that state services are best delivered by a qualified and experienced workforce; and

WHEREAS, the work performed by state employees is becoming more and more complex and state employees are becoming more skilled and mobile with each passing day, yet they do not receive competitive compensation, which is key to job satisfaction; and

WHEREAS, receiving fair treatment in compensation would result in job satisfaction among state employees, which would translate into a well-motivated workforce; and

WHEREAS, from 1995 to the current year there have been two years in which state employees received no cost-of-living increase at all; and

WHEREAS, the employees of Tennessee have suffered an actual 5.3% loss of value in compensation, compared to the increased cost-of-living, due to past compensation increase decisions; and

WHEREAS, the gradual deterioration of state employee compensation has resulted in the unacceptable situation of their compensation being, on average, 25% below the competitive

market of Tennessee and other southern states in both the public sector and the private sector;
and

WHEREAS, due to the fiscal constraints this state is facing, it is unlikely that state employee compensation will be raised to a satisfactory level this fiscal year, yet it is imperative that this General Assembly implement measures to treat state employees fairly and with respect; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following language as a new, appropriately designated section:

Section 67-6-385. Each state officer or employee is exempt from paying the sales tax imposed pursuant to Title 67, Chapter 6, Part 2. Such officers and employees shall produce a validated state-issued photo identification card at the time the officer or employee purchases goods or services taxable pursuant to such part.

SECTION 2. This act shall take effect July 1, 2002, the public welfare requiring it.